

Tax Information Network to identify tax evaders

1406. SHRI PRAVEEN RASHTRAPAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have established Tax Information Network (TIN) to identify tax evaders in the country;

(b) if so, to what extent TIN has been useful in detecting tax evaders;

(c) whether only high value financial transactions coming through banks and other sources are traced by the Income Tax Department; and

(d) if not, what is the modus-operandi used to trap tax evaders in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Tax Information Network (TIN) was set up in January 2004 as a repository of important tax related information which is accessed by the income-tax Department for the purposes of widening and deepening the tax base.

(b) The Department is using the information coming from TIN for identifying non-filers of income-tax returns, for selecting cases for scrutiny and for other enquiry/investigation.

(c) and (d) The Department collects information from various internal and external sources in addition to the information about high value transactions reported by banks and other agencies in the Annual Information Returns. In order to unearth tax evasion, the Department utilizes the information from these sources for enquiry/investigation, including undertaking searches & seizures and surveys in appropriate cases.

Inefficiency of Insurance Companies

1407. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that Public Sector Insurance Companies are very slow and negative in meeting their commitments;

(b) whether it is a fact that a number of complaints are pending against

United India Insurance Company for tardy and inefficient response to public demands;

(c) what steps will Government take to assess the present management;

(d) how would Government upgrade the management of Public Sector Insurance Companies to enable them to compete; and

(e) if so, the steps proposed in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Insurance Regulatory and Development Authority (IRDA) has reported that the Public Sector Companies have a large volume of business. The Insurance Companies issue a large number of documents and handle a large number of claims. It is quite possible that in respect of some claims, the decision making process may take some time as it may involve certain processes required for the establishment of liability in terms of the contract. The companies are upgrading their Information Technology Systems to further expedite client services.

(b) Effective Grievance Redressal Machinery is functioning in United India Insurance Company Limited (UIICL) for redressal of grievances forwarded by the Public/Government agencies. Corporate website allows clients to register their grievances online and they are taken for redressal immediately. The number of complaints/grievances received and disposed of by UIICL is as under:

| Year | Pending at the beginning of the year | Received during the year | Disposed of during the year | Outstanding at the end of the year |
|---------|--------------------------------------|--------------------------|-----------------------------|------------------------------------|
| 2004-05 | 317 | 955 | 887 | 385 |
| 2005-06 | 385 | 426 | 570 | 241 |

(c) to (e) All Public Sector General Insurance Companies are Board run and the Government has allowed them enough functional autonomy to enable them to cope-up with the ever increasing competition from the private players. They have signed Statement of Intent listing various performance parameters like Business Growth, Profitability, Claims settlement ratio and Rate of return on Investment etc. A quarterly/half-

yearly review of their performance vis-a-vis the listed parameters is being undertaken by the Government. Besides, the Insurance Regulatory and Development Authority (IRDA) also monitors the performance by obtaining regular information on various parameters which inter-alia relates to adherence to the IRDA's regulations and conducting inspection of the companies whenever necessary.

Excise duty collection on tobacco products

1408. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) what were the total taxes or Excise duties collected on all tobacco products during the last three years respectively;

(b) break-up of such figures for the four major products;

(c) whether Government would plough back some of these revenue collection for the welfare of Virginia tobacco farmers; and

(d) the details of such plans to help those responsible for these revenue collections?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Total excise duties collected from tobacco products during financial year 2003-04, 2004-05 and 2005-06 was 6780 crore, Rs. 7171 crore and Rs. 8388 crore respectively.

(b) Details of revenue collection from four major tobacco product categories are as under:

| | (Rs. in crore) | | |
|-----------------|----------------|---------|---------|
| | 2003-04 | 2004-05 | 2005-06 |
| Cigarettes | 5495 | 5995 | 7110 |
| Chewing tobacco | 632 | 577 | 322 |
| Biris | 361 | 348 | 368 |
| All others | 292 | 251 | 588 |